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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/747,535	12/21/2000	Hanh Kim Le	AUS920000742US1	2079
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IBM CORP (YA) C/O YEE & ASSOCIATES PC P.O. BOX 802333 DALLAS, TX 75380			EXAMINER HAQ, NAEEM U	
			ART UNIT 3625	PAPER NUMBER

DATE MAILED: 08/17/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/747,535

Applicant(s)

LE ET AL.

Examiner

Naeem Haq

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 04 April 2005.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1,2,5,6,8-10 and 13-16 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1,2,5,6,8-10 and 13-16 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Response to Amendment

This action is in response to the Applicants' amendment filed April 4, 2005.

Claims 1, 2, 5, 6, 8-10, and 13-16 are pending and will be considered for examination.

Specification

The amendments filed on April 4, 2005 and April 6, 2004 are objected to under 35 U.S.C. 132(a) because it introduces new matter into the disclosure. 35 U.S.C. 132(a) states that no amendment shall introduce new matter into the disclosure of the invention. The added material which is not supported by the original disclosure is as follows: Claims 1, 5, 9, and 13 recite the limitation "less than". This limitation is not supported by the original disclosure filed December 21, 2000 and was first introduced in an amendment filed April 6, 2004. In addition, claim 13 recites the limitation "recording...the proxy bid as a second high bid." This limitation was first introduced in an amendment filed April 6, 2004. There is no support for this limitation in the original disclosure filed December 21, 2000.

Applicant is required to cancel the new matter in the reply to this Office Action.

USC 112 Sixth Paragraph Notification

Applicants have provided means-plus function language in claims 9 and 10, which could be construed as having a narrower meaning emanating from specific

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embodiments found in the specification. Since it is the Applicants' responsibility to invoke USC 112 6th paragraph, the examiner will treat the claims using the broadest reasonable interpretation unless the Applicants respond to the office action invoking USC 112 6th paragraph and identifying the exact limitations that the Applicants are reading into the claims from the specification. Please be advised that should the Applicants invoke USC 112 6th paragraph in response to this office action the response may still be made final using the rationale that the Applicants have added new subject matter to the claims. A lack of response to this notice will be construed as prosecution history estoppel indicating that the Applicants does not wish to invoke USC 112 6th paragraph.

Claim Objections

Claim 8 and 13 are objected to because of informalities.

Referring to claim 8: This claim recites the limitation "in response to a determination that said **proposed bid does not exceed said proxy bid...**" (emphasis added). The examiner notes that this limitation will never be true because the proposed bid, as defined by claim 8, will always exceed the proxy bid as defined by claim 5. The logic is as follows: Claim 5 states that the proxy bid is less than the current high bid (highBid) plus a minimum increment (minInc) (see lines 6-8 of the claim). Claim 8 states that the proposed bid is equal to the minimum increment plus the current high bid (see lines 2 and 3 of the claim). These statements can be expressed as follows:

$$\text{proxy bid} < \text{highBid} + \text{minInc} \text{ (claim 5, lines 6-8),}$$

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proposed bid = highBid + minInc (claim 8, lines 2 and 3);

Therefore,

proxy bid < proposed bid.

Hence, the proposed bid will always exceed the proxy bid and the limitation cited above will never be true. Appropriate correction is required.

Referring to claim 13: This claim recites the limitation "the first bid" in line 5.

There is insufficient antecedent basis for this limitation in the claim.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 1, 2, 5, 6, 8, 9, 10, and 13-16 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. Claims 1, 5, 9, and 13 recite the limitation "less than". This limitation lacks proper written description support in the specification. Furthermore, claim 13 recites the limitation recites "recording...the proxy bid as a second high bid." This limitation lacks proper written description support in the specification.

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Claims 1, 5, 9, and 13-16 are rejected under 35 U.S.C. 112, first paragraph, as based on a disclosure which is not enabling.

Referring to claims 1, 5, and 9: The Applicants' specification discloses that if at least one proxy bid exists which meets or exceeds the bid placed by a first bidder then calculating a proposed bid is critical or essential to the practice of the invention for generating off-increment proxy bids (see specification page 8, line 24 – page 9, line 19; Figure 4B item "432"). An element or process critical or essential to the practice of the invention, but not included in the claim(s) is not enabled by the disclosure. See *In re Mayhew*, 527 F.2d 1229, 188 USPQ 356 (CCPA 1976). In the present case claims 1, 5, and 9 recite generating off-increment proxy bids that have at least one proxy bid which meets or exceeds the bid placed by a first bidder. However, these claims do not recite the critical or essential feature of calculating a proposed bid as required by the Applicants specification. Therefore these claims stand rejected as being based on a disclosure which is not enabling.

Referring to claim 13: This claim recites an embodiment that has no support in the specification. In particular, the claim is directed to an embodiment having a minimum increment, a first high bid, a proxy bid which is greater than the first high bid and less than the first high bid plus a minimum increment without the steps of generating an off-increment bid and calculating a proposed bid (see specification page 8, line 13 – page 9, line 19). Since these claims do not recite critical or essential subject matter (i.e. generating an off-increment bid and calculating a proposed bid) necessary to practice the invention, they are deemed to be not enabled by the disclosure. An

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element or process critical or essential to the practice of the invention, but not included in the claim(s) is not enabled by the disclosure. See *In re Mayhew*, 527 F.2d 1229, 188 USPQ 356 (CCPA 1976).

Referring to claims 14-16: These claims recite the step of calculating a proposed bid. However, the Applicants' specification discloses that this step is performed only for the purpose of generating an "off-increment bid" (see specification page 8, line 13 – page 9, line 19). Since these claims do not recite critical or essential subject matter (i.e. generating an off-increment bid) necessary to practice the invention, they are deemed to be not enabled by the disclosure. An element or process critical or essential to the practice of the invention, but not included in the claim(s) is not enabled by the disclosure. See *In re Mayhew*, 527 F.2d 1229, 188 USPQ 356 (CCPA 1976).

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 5, 6, and 8 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. These claims are directed to an "electronic auction". It is unclear to the examiner what statutory class of invention these claims are intended to embrace. The examiner notes that currently the statutory classes of invention are as follows: process, machine, article of manufacture, composition of matter, or any new and useful improvement thereof. In its reasonably broad sense, an "electronic auction" can be construed as either an apparatus (i.e. machine) or software (i.e. an article of manufacture). Since the Applicants' specification does not provide a clear definition or

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clearly show the boundaries of an "electronic auction", these claims are rendered indefinite.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 5, 6, 8, 9, and 10 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Referring to claims 5, 6, and 8: As noted above in the 112, second paragraph rejection, an "electronic auction" can reasonably be construed as either an apparatus or software. If the claim is directed to an apparatus then the examiner notes that the body of claim 5 recites a minimum increment (i.e. data), a bid (i.e. data), a proxy bid (i.e. data), and an off-increment bid (i.e. data) generated by a process (i.e. product by process). None of these components recite anything physical or tangible that would constitute an apparatus. On the other hand, if the claim is directed to an article of manufacture then the examiner notes that the body of claim 5 recites a series of non-functional descriptive material that does not impart functionality to a computer even when embodied on a computer-readable medium (See MPEP 2106(IV)(B)(1)). Claims 6 and 8 further limit claim 5 by reciting a proposed bid (i.e. data), a code for determining (i.e. software) and a procedure for awarding. Therefore claims 6 and 8 add nothing to correct the deficiency of claim 5 and are deemed to be non-statutory.

Referring to claims 9 and 10: These claims recite a computer readable medium comprising instruction means for performing a series of steps. However, the claims do not recite that the instruction means are executable by a processor. To overcome this rejection, the examiner recommends that the Applicants explicitly recite that the instruction means are executable by a processor. For example, the preamble could recite "...said computer readable medium having a program executable by a processor and said program comprising..."

Claim Rejections - 35 USC § 103

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

Claims 1, 5, 9, and 13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fisher et al. (US 6,243,691 B1).

Referring to claim 1, Fisher teaches a method and system for generating proxy bids in an electronic auction comprising:

- specifying a minimum increment for bidding on an item (Figure 2; column 5, lines 63-65);
- receiving a bid for said item from a first bidder which is a current high bid for said item (Figure 2; col. 5, lines 61-65);
- identifying a previously recorded proxy bid from a bidder (column 8, line 56 – column 9, line 6);

- generating by said electronic auction an bid which becomes a new high bid for said item utilizing said proxy bid, wherein said another bidder holds the new high bid for said item, further wherein said bid equals said bid received from said first bidder by said minimum increment, and wherein said bid equals said proxy bid (column 8, line 56 – column 9, line 6; column 12, lines 33-61).

Fisher does not explicitly teach that the proxy bid from a second bidder is in the range between the current high bid and the current high bid plus the minimum increment. However, Fisher teaches that a plurality of bidders are allowed to establish the limit amount of their proxy bids when the bids are initially placed (column 8, lines 56-60; column 12, lines 33-61). Furthermore, Fisher places no restrictions on the upper or lower boundaries of the limit price of the proxy bids. Therefore it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to allow a bidder to set the limit price of the proxy bid to whatever amount the bidder desired (e.g. greater than the current high bid and less than current high bid plus minimum increment). One of ordinary skill in the art would have been motivated to do so in order to allow the bidder to place a bid that he or she felt was competitive. Fisher does not explicitly teach that the bid is an off-increment bid or that the bid "does not exceed" the first bid plus minimum increment or proxy bid. However, as already noted above, Fisher suggests these limitations because Fisher teaches that a plurality of bidders are allowed to establish the limit amount of their proxy bids when the bids are initially placed (column 8, lines 56-60; column 12, lines 33-61). Furthermore, Fisher places no

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restrictions on the upper or lower boundaries of the limit price of the proxy bids.

Therefore it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to allow a bidder to set the limit price of the proxy bid to whatever amount the bidder desired (e.g. greater than the current high bid and less than current high bid plus minimum increment). One of ordinary skill in the art would have been motivated to do so in order to allow the bidder to place a bid that he or she felt was competitive.

Referring to claims 5, 9, and 13: Claims 5, 9, and 13 are rejected under the same rationale as set forth above in claim 1.

Response to Arguments

Applicants' arguments have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Naeem Haq whose telephone number is (571)-272-6758. The examiner can normally be reached on M-F 8:00am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn W. Coggins can be reached on (571)-272-7159. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

A handwritten signature in black ink, appearing to read 'Naeem Haq', with a stylized flourish at the end.

Naeem Haq, Patent Examiner
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August 10, 2005